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25X1A2g

COUNTRY: India

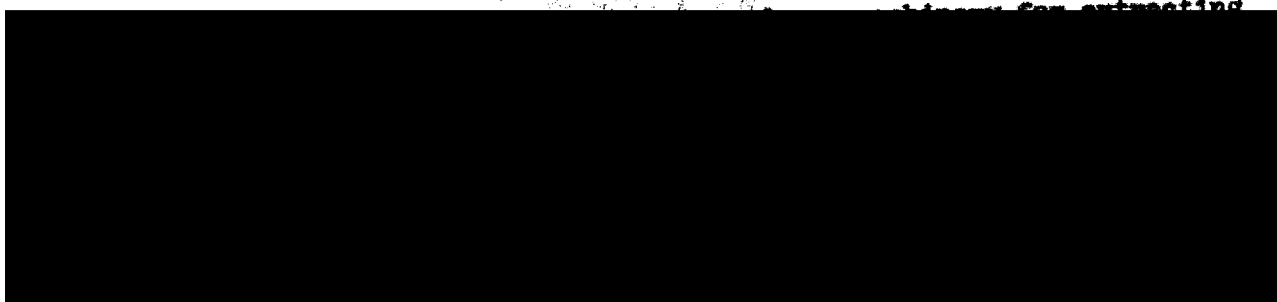
CIA

SUBJECT: Textile Crisis Relieved

DATE

DATE ACQUIRED: 25X1X6

DATE OF INFORMATION: Oct 53 and earlier
25X1X6



1. "On October 24, the Government of India announced a series of measures calculated to meet the situation arising from the threatened closure of one or more shifts by some textile mills owing to a critical accumulation of cloth stock. The measures, designed to promote domestic sales as well as exports, are:
 - a) Abolition of the 10% export duty on medium varieties of cloth.
 - b) Reduction by about 40% of the excise duty on superfine cloth.
 - c) Grant of rebate of a portion of the import duty on imported cotton used in the manufacture of cloth which is exported.
2. "The Government also promulgated an Ordinance [designed to dissuade the mills from giving effect to closure notices], which provides for relief to labour in cases of closures. The measures announced by the Government came not a day too soon and an improvement has been noticed in the offtake and prices of cloth. While welcoming the measures, the spokesmen of the textile industry have demanded abolition of the remaining export and excise duties on cloth. The authorities have, however, indicated that no further relief will be granted for the time being."

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TYPE ACT-DATE INFO-TFR-DATE AREA

53-153
FEB 28 1954